

EPZ and 100% EOU Schemes have been revamped. A number of export and import items have been decanalized. Exporters have been allowed to open foreign currency accounts in approved banks and to raise external credits, pay for export related imports from such accounts and credit export proceeds to such accounts. These steps have been further strengthened by the partial convertibility of Rupee and reduction in import tariff rates. Besides the Government has taken other steps which include reducing controls through licensing, simplification of procedures for export, activation of Board of Trade, bilateral discussions with select countries, interaction with national organisations of Trade and Industry, etc.

Commercial Loans

3861. SHRI PHOOL CHAND VERMA:
DR. LAXMINARAYAN PAN-
DEYA:
SHRI B.L. SHARMA PREM:

Will the Minister of FINANCE be pleased to state:

(a) the total amount of arrears of commercial loans given by the nationalised banks and other financial institutions to companies/individuals during the year 1991-92, bank-wise;

(b) the details of such companies/individuals who have to repay loans of more than rupees five crores; and

(c) the steps proposed to be taken to recover the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The Reserve Bank of India (RBI) have reported that information on arrears of commercial loans given during 1991-92 as also the details of Companies/individuals that have arrears of more than Rs. 5 crores

is not compiled by them. However the information on total balance outstanding in respect of Public Sector Banks to borrowers enjoying working capital limits of Rs. 10 crore or more as on 27th Sept., 1991 stood at Rs. 20074.5 crores. According to the forms of Balance Sheet and Profit and Loss Account prescribed in the Third Schedule of the Banking Regulation Act, 1949, which all banks are required to follow, and in accordance with the practices and usages customary among bankers, the banks are given statutory protection from disclosing the quantum of bad and doubtful debts as well as the sticky advances for which provision is made to the satisfaction of their statutory auditors.

(b) In accordance with the provisions of statutes governing public sector banks and financial institutions and also the provisions of Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983 and practices and usages customary amongst bankers, banks and financial institutions cannot divulge information relating to their individual constituents.

(c) The possibility of certain loans going bad is inherent banking operations. However, banks do take measures for monitoring loans and recover overdue loans. This includes post disbursement supervision and follow up, reporting systems and periodical reviews. Public Sector banks have also instituted a system of classification of loans into certain defined categories according to the health of advance at a given point of time for the purpose of their effective monitoring and follow up. Whenever conduct of an individual account reveals irregularities, steps are taken to regularise the advances and, if they fail, loans are recalled and various measures taken to recover the dues including resorting to legal proceedings against the borrowers, as well as the guarantors, if any.